

Title I Claim for Loss Instructions

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0328
(exp. 10/31/2012)

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is being collected to permit more efficient risk management of the Title I loan portfolio as well as facilitate claims processing for loan defaults. The information provides a more comprehensive basis for evaluating Title I lender underwriting practices and thereby improving risk management of the loan portfolio and also enhances management's ability to determine appropriate policy changes affecting the Title I portfolio as a whole. Responses are required in order to obtain benefits. No assurance of confidentiality is provided.

Sensitive Information: The information collected on this form is considered sensitive and is protected by the Privacy Act. The Privacy Act requires that these records be maintained with appropriate administrative, technical, and physical safeguards to ensure their security and confidentiality. In addition, these records should be protected against any anticipated threats or hazards to their security or integrity which could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom the information is maintained.

This package contains three sets of forms: the Transmittal (Part 1), the Application Voucher (Part 2), and the Worksheet (Part 3). Please read these instructions, then separate the three Parts and complete them. Keep a copy of Part 1, a copy of Part 2, and a copy of Part 3. Send originals to:

U.S. Department of Housing and Urban Development
Financial Operations Center Attn: Title I Claims
52 Corporate Circle
Albany, NY 12203

Time Requirements: A claim must be filed no later than 9 months after the date of default for a property improvement loan. A claim for a manufactured home purchase loan (including lots and combination loans) must be filed within 3 months after the sale of the property securing the loan, but no later than 18 months after the date of default. Each claim submitted after the expiration of the maximum claim filing period must be accompanied by a written explanation of the reasons for the late submission.

Accuracy and Completeness: All applicable spaces on the Transmittal and the Application Voucher must be completed and any omissions or incomplete items must be explained. Both forms must be signed and dated by an authorized official of the lending institution, and must be accompanied by the complete loan file pertaining to the loan transaction. The original note, security instrument and any related documents must be submitted with the claim, except where State or local law requires the lender to retain these documents.

Itemized Statements: Documentation of all repossession and preservation costs (including hazard insurance premiums, personal property taxes and site rental), transportation costs, sales commissions, uncollected court costs, attorney's fees, recording costs and other applicable expenses must be furnished with the claim submission. If the claim involves a manufactured home lot loan or combination loan classified as realty, any expenses for real estate taxes, special assessments, hazard insurance premiums or transfer taxes must also be documented. In determining the best price obtainable on a repossessed manufactured home (line 20d on the Application Voucher), the cost of repairs to make the home marketable and the cost of delivery and set-up on a new site (transportation NTE \$1,000 per module) may be deducted from the actual sales price only if itemized statements or invoices for these costs are furnished.

Secured Loans: Any security interest in the loan must be recorded in the manner specified by applicable State law in the jurisdiction where the property is located. If the lender's security interest has been recorded, an assignment of this security interest to the United States of America must be recorded in the same jurisdiction prior to filing an insurance claim.

Bankruptcy/Decedent Estate: When the lender has timely information that the borrower is involved in a bankruptcy proceeding or is deceased, a proof of claim must be filed with the bankruptcy or probate court having jurisdiction. The proof of claim must be assigned to the United States of America prior to filing an insurance claim. However, a proof of claim need not be filed if the bankruptcy court indicates that the borrower has no assets, or if the lender determines that there will not be a probate proceeding. Documentation of the reason why no proof of claim has been filed must accompany the insurance claim.

Form of Assignment: All notes, security instruments, judgments and proofs of claim must be assigned to the United States of America. The assignment must appear on the note or other instrument being assigned, or on an attachment to the note or other instrument. The assignment must be in the following form, unless this form is not valid or generally acceptable in the jurisdiction where the property is located:

All right, title, and interest of the undersigned is hereby assigned (without warranty, except that the loan qualifies for insurance) to the United States of America (U.S. Department of Housing and Urban Development).

(Name of Financial Institution)

By _____

Title _____

Date _____

Please Note that filling in the information on this sample form does not constitute an assignment. The above is intended to be used only as a guide.

Refinanced Loans: Copies of the note, security instrument and all other documents pertaining to the original loan must be retained in the loan file for the refinanced loan, and must accompany an insurance claim on the refinanced loan.

Payments Received after Filing the Claim: If the borrower sends a payment to the lending institution after the insurance claim has been filed, send the payment with full identification to:

Title I Notes
P. O. Box 105664
Atlanta, GA 30348

Title I Claim for Loss (Part 1) Transmittal

Read Instructions carefully before completing this form.

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1. Names of Borrowers		2. Contract Number	3. Title I Case Number
4. To Whom Proceeds Check was Paid		5. Date of Check	6. Reason for Default

7. Please provide the following items as appropriate and assemble the documents in the order indicated. Where the item does not apply, indicate "N/A" in the next column.		Check Items Enclosed	HUD Use Only
A. Documents for Property Improvement and Manufactured Home Loans	1. Title I Claim for Loss Application Voucher (original and 1 copy)		
	2. Explanation for Late Claim Filing		
	3. Original Note or Retail Installment Contract Assigned to USA		
	4. Truth-in-Lending Disclosure		
	5. Mortgage, Deed of Trust, Other Security Instrument with Original Recorded Assignment to USA		
	6. Modification or Assumption Agreements		
	7. Credit Application (Social Security Numbers must be included)		
	8. Consumer Credit Report		
	9. Verification of Employment and Income		
	10. Verification of Self-Employment Income		
B. Documents for Property Improvement Loans Only	1. Evidence of Borrower's Interest in the Property		
	2. Contract of Work or Written Description with Cost Estimates		
	3. Completion Certificate		
	4. Report on Inspection of Improvements (if loan amount ≥ \$7,500)		
	5. Prior HUD Approval of Borrower's Credit (if total loans exceed \$25,000)		
C. Documents for Manufactured Home Loans Only	1. Verification of Deposit of Down payment		
	2. Calculation of Debt-to-Income Ratios		
	3. Purchase Agreement		
	4. Manufacturer's Invoice and FHA Supplement		
	5. Invoices for Delivery and Set-up, Skirting, Air Conditioning		
	6. Invoices or Appraisals for Appurtenances		
	7. Value Determination on Trade-in		
	8. HUD-Approved Appraisal of Existing Home and/or Lot		
	9. Advance Notice of Disbursement to Dealer or Seller		
	10. Manufacturer's Warranty on New Home		
	11. Placement Certificate		
	12. Evidence of Ownership or Leasehold for Individual Homesite		
	13. Certification of Park or Individual Homesite Approval		
	14. Evidence of Abandonment, Voluntary Conveyance or Surrender		
	15. Condition Report on Vacant or Abandoned Home		
	16. Notice of Sale in Compliance with State Law		
	17. HUD-Approved Appraisal of Repossessed or Foreclosed Property		
	18. Resale Purchase Agreement		
	19. Itemized Costs of Repossession or Foreclosure		
	20. Invoice for Sales Commission		
	21. Documentation of Efforts to Enforce Recourse		
D. Other Documents for Property Improvement and Manufactured Home Loans	1. Documentation of Collection Efforts After Default		
	2. Proposed Modification Agreements or Repayment Plans		
	3. Notice of Default and Acceleration		
	4. Notice of Assignment Sent to Credit Reporting Agency		
	5. Notice of Bankruptcy & Proof of Claim Filed in Bankruptcy Court with Assignment to USA		
	6. Proof of Claim Filed with Probate Court with Assignment to USA		

8. Remarks: To facilitate the processing of this claim, please explain any omissions or incomplete items.

9. Date	10. Name of Lending Institution	11. Signature & Title of Authorized Official
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Title I Claim for Loss (Part 2) Application Voucher

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1. Type of Loan <input type="checkbox"/> Property Improvement <input type="checkbox"/> Manufactured Home		2. Contract Number		15. Names, Current Addresses, & Social Security Numbers of Borrowers	
3. Title I Case Number		4. Date Loan Disbursed (mm/dd/yyyy)			
5. First Installment Date (mm/dd/yyyy)		6. Date of Default (mm/dd/yyyy)		7. Interest Rate %	
8. Face Amount of Loan \$		9. No. of Installments		10. Amt. of Each Installment \$	
11. Date of Demand for Full Unpaid Balance (mm/dd/yyyy)		13. Reason for Default Code (HUD Use Only)		16. Names, Addresses, & Social Security Numbers of Co-Makers or Co-Signers	
12. Monthly Statement on Which Acknowledged (mm/dd/yyyy)		14. Claim Type: (HUD Use Only) <input type="checkbox"/> Regular <input type="checkbox"/> Judgment		16. Names, Addresses, & Social Security Numbers of Co-Makers or Co-Signers	

		Applicant	HUD Use Only
17. Amount of Insured Loan			
18. Unpaid Loan Obligation at Date of Default			
19. Full Installments Received Prior to Default (No. of Installments:) (Simple Int. Loans: Principal = Interest =)			
Deductions	20 a. Payments Received after Default (itemize on line 27)		
	b. Lender Entitlements after Default		
	c. Amounts Retained by Lender after Default		
	d. Best Price Obtainable		
	e. Excess Funds from Foreclosure Proceedings		
21. Net Unpaid Loan Obligation (line 18 minus lines 20a thru 20e)			
22. Interim Interest (7% per annum of line 18 for days)			
Additions	23 a. Repossession and Preservation Costs (Transportation NTE \$1,000/module)		
	b. Sales Commission		
	c. Uncollected Court Costs		
	d. Attorney's Fees (Not to Exceed \$500 for PI \$1,000 MH)		
	e. Recording Costs and Other Expenses		
	f. If Manufactured Home Lot Loan or Combination Loan Classified as Realty		
	• Real Estate Taxes		
	• Special Assessments		
	• Hazard Insurance Premiums		
	• Transfer Taxes		
24. Subtotal (lines 21 thru 23f)			
25. Less Coinsurance (10% of line 24)			
26. Total Insured Loss (line 24 minus line 25)			

27. Payments received after default (itemize line 20a above)									
Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Date	Amount	Date	Amount	Date	Amount	Date	Amount	Total Amount	

Certification: The undersigned applies for the amount of insurance benefits due under its contract of insurance and the regulations issued in accordance with Title I of the National Housing Act for the loan identified above. In making this application for insurance benefits, the undersigned certifies that (a) the application is just and in accordance with the terms of the contract of insurance and the Title I regulations; (b) all information shown above is true and correct; (c) all expenses have actually been incurred and are reasonable and customary in the area where the property is located; (d) all repairs identified as repossession and preservation costs were necessary to protect and preserve the property while awaiting resale; and (e) all foreclosure or repossession activities have been carried out in full compliance with applicable State and local laws. Upon request, the undersigned will furnish the Department with an accounting of any receipts or disbursements included in the amounts shown above.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 10101012; 31 U.S.C. 3729, 3802)

28. Name & Address of Lending Institution		HUD Use Only	
Telephone Contact Number (include area code)			
29. Name & Title of Authorized Official (type or print)		30. Date of Submission	
X Signature		X Signature	
		Name & Title of Authorized Official (type or print)	
		Insurance Verification	
		Initials Date	

Title I Claim for Loss (Part 3) Claim Calculation Worksheet

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Was there a debtor complaint on this loan about the repairs? ☐ Yes ☐ No If "Yes," how was it resolved? Please explain.

If this is a bankruptcy, has the payment plan been completed? ☐ Yes ☐ No

Show amounts and nature of all fees or money already collected from the debtor or other parties for charges related to this claim. If none, put zero.

If this is a Manufactured Home, please provide

a. State of Sale	b. Date of Notice of Sale	c. Date of Repossession	d. Date of Sale
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Items shown below pertain to questions or data on Part 2 of this form in the same number order. Please complete all information pertaining to this claim for loss and, where applicable, record the totals on Part 2 of the form after the data has been itemized below. Questions regarding how to use this Worksheet should be directed to Title I Claims Examination.

1. **Type of Loan:** For Manufactured Homes only, please check the appropriate box

a. ☐ Single wide 14 ft. to 18 ft. b. ☐ Double wide 19 ft. to 28 ft. c. ☐ Triple wide 29 ft. to 32 ft. d. ☐ Over 32 ft.

20. **Deductions:** Enter the greater of 1, 2, or 4 below on Part 2 of this form under 20d.

d. Best Price Obtainable

- Appraised Value for "as is" condition _____
- List Repairs and/or Other Items to make Marketable and deduct from Gross Sales Price
Repairs

2. **Gross Sales Price** \$

Amount

Total Repairs \$

- Deduct Repair/Other Items from Gross Sales Price to determine

Net Sales Price \$

Note: When there are no deductions under 4, use greater of Appraised Value or Gross Sales Price.

23. Additions

a. Repossession and Preservation Costs (Transportation NTE \$1,000 per module). Note: Include Appraisal fee and Taxes.

Itemized Repossession	Amount	Itemized Preservation	Amount
Subtotal		Subtotal	

Total Repossession and Preservation Costs \$

Amount

Total Uncollected Court Costs \$

c. Uncollected Court Costs: Item

-
-
-

e. Recording Costs and Other Expenses

Types of Recording Costs	From Whom	To Whom	Amount
1.	1.		
2.	2.		

Types of Other Expenses	Amount
1.	
2.	
3.	

Total Recording Costs and Other Expenses \$